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To: County and District Superintendents of Schools
County and District Chief Business Officials

From: Janet Sterling, Director
School Fiscal Services Division

Subject: **Implementation of the Standardized Account Code Structure**

This letter is to update you on the status of implementing the standardized account code structure (SACS). We are very pleased with the progress of conversion and with the quality of the SACS data being submitted. Converting to SACS is a very big task but it has significant benefits for all of us. We appreciate your commitment.

Implementation Progress

Every school district and county office of education has received incentive funding for converting to SACS and has agreed to fully implement SACS by 2001-02. For the 1997-98 fiscal year, 130 local educational agencies (LEAs) submitted unaudited actuals in SACS and for the 1998-99 fiscal year, an additional 161 LEAs submitted unaudited actuals in SACS. For 1999-00, an additional 170 LEAs will be reporting; for 2000-01, we anticipate another 215 LEAs; and for 2001-02, we expect that all LEAs will be reporting in the new account code structure.

Full Implementation of SACS

Full implementation of SACS must be achieved no later than 36 months from the date that SACS funds are disbursed to the LEA. Chapter 299, Statutes of 1997 defines full implementation as submitting the adopted budget, the financial and budgetary status reports, and the annual statement of all receipts and expenditures based on a general ledger which reflects SACS.

SACS Web Site

Our SACS Web site at <http://www.cde.ca.gov/sfsdiv/sacs/sacshome.htm> provides a great deal of information; a copy of the main page is enclosed. In particular, we encourage you to become familiar with the SACS Query Page, the Frequently Asked Questions (FAQs), and the matrix of allowable combinations. The updated procedures from the *California School Accounting Manual (CSAM), Part I* and the latest version of *CSAM, Part II* are available for download.

The phone numbers and e-mail addresses for California Department of Education staff working on SACS are listed on the web site in the Financial Accountability and Information Services Office and the Office of Financial Systems and Management Assistance. We encourage you to call or e-mail if you have any questions or would like assistance.

SACS Accounting Committee

The bimonthly Accounting Committee meetings are open to anyone who wishes to attend. The committee first met in January 1997, at the onset of SACS implementation. The meetings are for the purpose of discussing SACS technical accounting issues and solving problems as they arise. The meetings provide an excellent opportunity for those who are beginning the implementation process to confer with those who have completed their transition. Recaps of the meetings and the dates of upcoming meetings are posted on the SACS Web site under the Accounting Committee heading.

Accounting Committee meetings are very well attended so it is important to reserve a seat by contacting the Office of Financial Systems and Management Assistance at (916) 327-0538 or by e-mail at pshaw@cde.ca.gov.

Training

In 1997-98 and 1998-99, we provided introductory SACS training throughout the State and collaborated with the California Association of School Business Officials (CASBO) and the Fiscal Crisis and Management Assistance Team (FCMAT) to produce two training videotapes that were mailed to each LEA.

For the past year and a half, most of our SACS field training has been tailored to individual counties and districts. During the busy periods, our training team is in the field several days each week. In addition to training sessions at districts and county offices, we frequently provide SACS sessions at conferences. We are currently working with CASBO and FCMAT on developing and presenting a training curriculum that focuses on annual changes in *CSAM*.

Please contact Steve Luhrs at (916) 322-2150 or by e-mail at sluhrs@cde.ca.gov to arrange training sessions or to suggest SACS training materials or topics that you would find helpful.

Sharing your Training Materials

In 1998, we posted some locally developed SACS training material on our web site; LEA staff tells us that all of the material is very helpful. If you have SACS training materials that you are willing to share with other LEAs, we would like to add them to our web site. Please e-mail the materials to sluhrs@cde.ca.gov.

CSAM Revisions

We are incrementally revising the procedures in *CSAM, Part I* and we update *CSAM, Part II* (SACS) annually in the late fall. After the State Board of Education approves the revisions in November or December, the updated document is made available on the SACS Web site; a printed copy of *CSAM, Part I and Part II* is mailed to each LEA in December or January.

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SACS Software

SACS software is proceeding well. We are adding new components each year and improving existing processes, bringing us closer to our goal of providing richer, more meaningful standardized statewide data. Because we are still working in a development mode, we must distribute the software in two separate releases. For the 2000-01 fiscal year, the first release, for budget development only, was distributed May 1, 2000. The second and complete release, for budgets, interims and unaudited actuals, will be distributed in July. We plan to return to a single mid-April release within a couple of years.

SACS software training is provided each year to those LEAs in their first year of implementation. It provides a good overview of the features and functionality of the software, as well as a chance for participants to have hands-on experience with our staff available to provide assistance. If you have any questions about the SACS software, please contact us at (916) 322-1770 or by e-mail at sacsinfo@cde.ca.gov.

Report Reduction

A primary goal of SACS is to reduce the financial reporting burden for LEAs. We are taking a major step toward meeting that goal this year as the Program Cost Report and the Transportation Reports are added to the 2000-01 software; this will replace the other software applications and provide for extraction of general ledger data rather than requiring key entry. We will continue incorporating additional reports into the software.

SACS and GASB 34

The SACS objectives of reducing the administrative burden on LEAs in preparing required financial reports, and providing better information for use by administrators, parents, board members, legislators, and others interested in school finance, are well met with regard to the new Governmental Accounting Standards Board Statement 34 (GASB 34), issued June 1999. In SACS, LEAs have the data necessary to prepare government-wide statements by function required by this new statement. For further information on GASB 34, please refer to our November 1999 and June 2000 letters on our GASB 34 Web site at <http://www.cde.ca.gov/sfsdiv/gasb34/index.html>.

Conclusion

Again, we recognize and appreciate the significant effort being made by school districts and county offices of education in converting to the new account code structure. Please feel free to call on us for assistance in implementation; we are happy to help in any way that we can, and welcome your questions and concerns.

Enclosure

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